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Volume 9

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
April 1965

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165 Number 9

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - APRIL 1965

The Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.63, Excess Milk \$2.69. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%. It is understood the Chattanooga Area Milk Producers Association will pay a 19 cent premium on Base deliveries or \$4.82 per cwt.

During April 75.9% of the total producer milk was priced in Class I at \$4.97 per cwt. with a butterfat differential of 7.5 cents and 24.1% priced in Class II at \$2.73 per cwt. with a butterfat differential of 6.8 cents. The daily average use of Gross Class I increased 0.8% compared with March 1965 and increased 2.5% compared with April 1964.

The daily average producer deliveries was 641,997 pounds in April 1965, an increase of 51,552 pounds per day compared with March 1965 and an increase of 85,824 pounds compared with April 1964. Percentage-wise, April deliveries increased 8.7% compared with March 1965 and increased 15.4% compared with April 1964. Base milk was 88.8% and excess milk was 11.2% of the total producer deliveries. All excess milk and 14.5% of base milk was priced in Class II at \$2.73 per cwt. and 85.5% of base milk was priced in Class I at \$4.97 per cwt.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 5,423 - Handler Products 292. During April an average of 8.1 samples per producer was used to determine butterfat content and pay test. Other samples were used by the plants and various agencies to determine water, bacteria, solids-not-fat, antibiotics, etc.

APRIL 1965 TOTAL CLASS I UNIT SALES BY 8 POOL AND 4 NON-POOL PLANTS ^{1/}

	GALS.	$\frac{1}{2}$ GALS.	QUARTS	PINTS	$\frac{1}{2}$ PINTS	PRODUCT LBS.	%-TOTAL
Homo & Std. Milk	640,274 ^{3/}	999,409	309,959	484,493	2,770,885	12,480,408	83.98
Special Skim	13,589	7,155	-	-	-	147,975	1.00
Regular Skim	-	73,500	72,130	-	8,566	477,392	3.21
Buttermilk	6,961	203,212	153,806	33,718	27,253	1,319,808	8.88
Flavored Drink	To Qts. ^{2/}	-	4,184	14,687	12,942	30,236	.20
Flavored Milk	To $\frac{1}{2}$ Gal. ^{2/}	4,696	39,809	149,661	131,312	321,371	2.17
Cream ($\frac{1}{2}$ & $\frac{1}{2}$)	-	-	3,357	36,021	-	45,673	.31
Coffee Cream (X)	-	-	1,724	-	833	4,111	.03
Whip Cream (XX)	To Qts. ^{2/}	-	1,492	-	28,582	18,087	.12
Sour Cream	337	-	-	-	24,039	15,576	.10
				Total Pounds		14,860,637	100.00

^{1/} Includes all unit sales by pool plants and sales "In Area" by non-pool plants.

^{2/} Restricted; distributed by less than 3 handlers.

^{3/} Includes Glass, Paper, Plastic and Dispenser gallons and Twin-Pak $\frac{1}{2}$ gallons.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Apr. '65 Over Apr. '64	Apr. 1965	Mar. 1965	Apr. 1964
Number of Plants (Pool and Non-Pool)		12	12	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	+ 14.0	569,848	552,135	499,659
- Excess	+ 27.7	72,149	38,310	56,514
- Total	+ 15.4	641,997	590,445	556,173
Other Source	+ 41.6	19,855	15,186	14,022
Other Federal Orders	- 14.0	35,837	20,683	41,679
Total Milk Receipts	+ 14.0	697,689	626,314	611,874
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 3.7	416,014	413,309	401,346
Fluid Skim	- 14.9	20,846	20,435	24,493
Buttermilk	+ 2.1	43,994	42,706	43,079
Flavored Milk and Drink	+ 0.7	11,720	11,128	11,638
Fluid Cream (Sweet and Sour)	- 2.4	2,782	2,595	2,851
Other (Shrinkage, Inventory, etc.)		1,277	2,064	1,732
Transfers to Non-Pool Plants		1,305	1,643	582
Total Class I Milk	+ 2.5	497,938	493,880	485,721
Class II Uses:				
Ice Cream Mixes		51,286	39,680	31,061
Cottage Cheese		21,927	20,954	23,375
Powdered and Condensed Milk		90,020	12,739	37,856
Livestock Feed and Skim Dumped		6,106	5,344	4,898
Shrinkage Class II		9,953	11,107	10,333
Other (Butter, Inventory, etc.)		(10,180)	(2,419)	4,977
Transfers to Non-Pool Plants		30,639	45,029	13,653
Total Class II Milk	+ 58.3	199,751	132,434	126,153
Class I Pounds in Marketing Area	+ 6.9	310,517	309,213	290,350
Class I Pounds outside Marketing Area	- 4.1	187,421	184,667	195,371
Gross Class I Butterfat Pounds	+ 2.8	17,874	17,707	17,394
Gross Class II Butterfat Pounds	+ 39.0	9,439	7,736	6,789
Total Butterfat Pounds	+ 12.9	27,313	25,443	24,183
% Producer Milk of Gross Class I		128.9	119.6	114.5
% Producer Milk priced in Class I		75.9	81.8	86.6

MAY 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	May '65	Apr. '65	May '64
Basic Formula	\$3.23	\$3.22	\$3.12
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.20
Class I Price, 3.5% Butterfat	\$4.98	\$4.97	\$5.07
Per \$1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: March and April			
Supply: Lbs. Producer Milk (Mar. 18,303,799 and Apr. 19,259,916)			37,563,715
Demand: Lbs. Net Class I Milk (Mar. 15,173,740 and Apr. 14,815,255)			29,988,995
Utilization Percentage: Producer milk divided by Class I			125
Standard Utilization Percentage: Range 124-128			125
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the desired standard utilization range of 124-128.

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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APRIL 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		14,938,154	3.590		
Less Other Source		313,732	2.821		
Producer Milk Class I	75.9	14,624,422	3.606125	\$5.049594	\$738,473.94
Gross Class II		5,992,517	4.725		
Less Other Source		1,357,023	2.741		
Producer Milk Class II	24.1	4,635,494	5.306187	3.958207	183,482.45
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	19,259,916	4.015298		\$921,956.39
Add Fractional Adjustment					.08
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		91,627			4,124.90
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,914.99
TOTAL VALUE AT TEST		19,351,543	4.009902	4.821302	932,996.36
Less Test over 3.5% @ 7.2¢ per point		19,351,543	.509902	.367129	71,045.13
TOTAL UTILIZATION VALUE AT 3.5%		19,351,543	3.5	\$4.454173	\$861,951.23
Less Reserve Per \$1090.71(f)		19,351,543		.044173	
WEIGHTED AVERAGE PRICE - 3.5% TEST		19,351,543	3.5	\$4.41	
Less FMP from Unregulated Supply Plants allocated to Class I @ Wt. Av. Price		91,627	3.5	\$4.41	4,040.75
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		19,259,916	3.5		\$857,910.48
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		2,164,467	\$2.73	\$59,089.95	
Total Value of Excess Milk		2,164,467	2.73	59,089.95	
Less Prod.-Settlement Fund Reserve @ 4¢		2,164,467	.04		865.79
UNIFORM EXCESS PRICE - 3.5% TEST		2,164,467	2.69		\$ 58,224.16
Total Value of Base Milk		17,095,449	4.672709		798,820.53
Less Producer-Settlement Fund Reserve		17,095,449	.042709		7,301.30
UNIFORM BASE PRICE - 3.5% TEST		17,095,449	\$4.63		\$791,519.23

APRIL 1965 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICES		TEST	PRICES		TEST	PRICES	
%	BASE	EXCESS	%	BASE	EXCESS	%	BASE	EXCESS
3.0	\$4.27	\$2.33	4.0	\$4.99	\$3.05	5.0	\$5.71	\$3.77
3.05	4.306	2.366	4.05	5.026	3.086	5.05	5.746	3.806
3.1	4.342	2.402	4.1	5.062	3.122	5.1	5.782	3.842
3.15	4.378	2.438	4.15	5.098	3.158	5.15	5.818	3.878
3.2	4.414	2.474	4.2	5.134	3.194	5.2	5.854	3.914
3.25	4.45	2.51	4.25	5.17	3.23	5.25	5.89	3.95
3.3	4.486	2.546	4.3	5.206	3.266	5.3	5.926	3.986
3.35	4.522	2.582	4.35	5.242	3.302	5.35	5.962	4.022
3.4	4.558	2.618	4.4	5.278	3.338	5.4	5.998	4.058
3.45	4.594	2.654	4.45	5.314	3.374	5.45	6.034	4.094
3.5	4.63	2.69	4.5	5.35	3.41	5.5	6.07	4.13
3.55	4.666	2.726	4.55	5.386	3.446	5.55	6.106	4.166
3.6	4.702	2.762	4.6	5.422	3.482	5.6	6.142	4.202
3.65	4.738	2.798	4.65	5.458	3.518	5.65	6.178	4.238
3.7	4.774	2.834	4.7	5.494	3.554	5.7	6.214	4.274
3.75	4.81	2.87	4.75	5.53	3.59	5.75	6.25	4.31
3.8	4.846	2.906	4.8	5.566	3.626	5.8	6.286	4.346
3.85	4.882	2.942	4.85	5.602	3.662	5.85	6.322	4.382
3.9	4.918	2.978	4.9	5.638	3.698	5.9	6.358	4.418
3.95	4.954	3.014	4.95	5.674	3.734	5.95	6.394	4.454

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Apr. '64	\$4.72 ^{2/}	\$4.97	\$2.65	7.4¢	\$5.08	7.5¢	\$2.69	6.7¢
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	4.78 ^{2/}	5.00	2.62	7.4	5.19	7.5	2.66	6.7
July	4.72 ^{2/}	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	4.60	-	-	7.6	4.80	7.7	3.26	7.1
Oct.	4.71	-	-	7.8	4.87	8.0	3.23	7.0
Nov.	4.83	-	-	7.8	5.10	7.9	3.30	7.2
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 ^{2/}	4.67	2.73	7.2	4.97	7.5	2.77	6.7
Apr.	4.41 ^{2/}	4.63	2.69	7.2	4.97	7.5	2.73	6.8
May	-	-	-	-	4.98	7.7	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA	
	4 Tenn.	Butter	4 Tenn.	Chi.92°	Chi.Area	Minn.-Wisc.	
	Milk Mfg.	Powder	Milk Mfg.	Butter	Powder	Mfg.Grade Milk	
			\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
Apr. '64	2.69	3.12	3.025	57.97	14.19	3.12	
May	2.66	3.12	3.000	57.97	14.22	3.12	
June	2.66	3.12	3.000	57.97	14.24	3.11	
July	2.66	3.12	3.000	58.00	14.23	3.12	
Aug.	2.66	3.19	3.000	59.51	14.30	3.15	
Sept.	2.72	3.26	3.075	61.32	14.30	3.24	
Oct.	2.77	3.23	3.119	60.47	14.29	3.27	
Nov.	2.79	3.30	3.150	62.27	14.23	3.29	
Dec.	2.81	3.18	3.150	59.24	14.20	3.29	
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25	
Feb.	2.80	3.12	3.138	57.99	14.27	3.22	
Mar.	2.77	3.12	3.106	57.99	14.25	3.22	
Apr.	2.73	3.17	3.069	58.97	14.22	3.23	

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Apr. '64	13	611,874	485,721	481,865	556,173	499,659	658	845	759	86	4.05
May	13	624,657	467,902	464,241	558,588	497,049	654	854	760	94	3.95
June	13	584,658	452,652	449,792	530,133	482,237	655	809	736	73	3.91
July	13	575,476	449,846	445,827	536,759	476,599	655	819	728	91	3.91
Aug.	13	635,915	465,231	460,229	591,239	-	685	863	-	-	3.94
Sept.	13	655,234	549,204	544,006	618,771	-	683	906	-	-	3.99
Oct.	13	612,364	542,789	537,353	579,109	-	682	849	-	-	4.24
Nov.	13	614,949	507,098	501,079	577,284	-	680	849	-	-	4.24
Dec.	12	609,776	496,019	489,978	577,562	-	681	848	-	-	4.29
Jan. '65	12	635,352	495,024	489,397	596,941	-	679	879	-	-	4.21
Feb.	12	633,315	499,973	487,604	591,247	-	676	875	-	-	4.22
Mar.	12	626,314	493,880	482,738	590,445	552,135	673	877	820	57	4.17
Apr.	12	697,689	497,938	487,481	641,997	569,848	667	963	854	109	4.02

^{1/} Excludes Premiums^{2/} For Statistics Only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I